

**IN THE UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN**

In re) Chapter 9
)
CITY OF DETROIT, MICHIGAN) Case No. 13-53846
)
Debtor.) Hon. Steven W. Rhodes

**APPELLANT’S DESIGNATION OF THE CONTENTS
OF THE RECORD AND STATEMENT OF ISSUES ON APPEAL**

Pursuant to Rule 8006 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), appellants Syncora Guarantee Inc. and Syncora Capital Assurance Inc. (together, “Syncora”) file this designation of the contents of the record and statement of issues regarding Syncora’s April 21, 2014 notice of appeal [Doc. No. 4208], filed pursuant to Bankruptcy Rule 8001 and 28 U.S.C. § 158(a), from this Court’s final order, entered April 15, 2014 (the “Order”), approving a settlement and plan support agreement (collectively, the “Settlement Agreement”).

1. DESIGNATION OF THE CONTENTS OF THE RECORD ON APPEAL

(a) Docket Entries from Case No. 13-53846

<u>Item #</u>	<u>Date</u>	<u>Docket Number</u>	<u>Document Title</u>
1	7/18/2013	17	Motion of Debtor for Entry of an Order (I) Authorizing the Assumption of That Certain Forbearance and Optional Termination Agreement Pursuant to Section 365(a) of the Bankruptcy Code, (II) Approving Such Agreement Pursuant to Rule 9019 and (III)

<u>Item #</u>	<u>Date</u>	<u>Docket Number</u>	<u>Document Title</u>
			Granting Related Relief
2	7/24/2013	157	Corrected Motion of Debtor for Entry of an Order (I) Authorizing the Assumption of That Certain Forbearance and Optional Termination Agreement Pursuant to Section 365(a) of the Bankruptcy Code, (II) Approving Such Agreement Pursuant to Rule 9019 and (III) Granting Related Relief
3	8/1/2013	234	Statement of Syncora Guarantee Inc. and Syncora Capital Assurance Inc. in Advance of the August 2, 2013, Initial Status Conference on the Debtor's Assumption Motion
4	8/2/2013	285	Transcript Order Form of Hearing Held August 2, 2013
5	8/16/2013	366	Objection of Syncora Guarantee Inc. and Syncora Capital Assurance Inc. to Motion of Debtor for Entry of an Order (I) Authorizing the Assumption of That Certain Forbearance and Optional Termination Agreement Pursuant to Section 365(a) of the Bankruptcy Code, (II) Approving Such Agreement Pursuant Rule 9019, and (III) Granting Related Relief
6	8/16/2013	367	Syncora Guarantee Inc. and Syncora Capital Assurance Inc. Disclosure of Witnesses and Documents in Advance of the September 9, 2013 Hearing
7	8/20/2013	524	Statement of Syncora Guarantee Inc. and Syncora Capital Assurance Inc. in Advance of Status Conference
8	9/5/2013	721	Syncora Guarantee Inc. and Syncora Capital Assurance Inc.'s Disclosure of Rebuttal

<u>Item #</u>	<u>Date</u>	<u>Docket Number</u>	<u>Document Title</u>
			Witnesses and Documents in Advance of the September 23, 2013 Hearing
9	9/10/2013	804	Syncora Guarantee Inc. and Syncora Capital Assurance Inc.'s Amended Disclosure of Rebuttal Witnesses and Documents in Advance of the September 23, 2013 Hearing
10	9/18/2013	933	The Objectors' Motion in Limine to Preclude Debtor From Offering Evidence Regarding the Likelihood of Success, Complexity, and Expense of Claims the City Seeks to Settle With the Forbearance and Optional Termination Agreement
11	9/18/2013	937	Syncora Capital Assurance and Syncora Guarantee Inc.'s Response to Debtor's Motion in Limine to Exclude Testimony of Alexandra Schwarzman
12	9/19/2013	954	The Objectors' Motion to Admit Certain Deposition Testimony of Kevyn Orr and Kenneth Buckfire
13	12/2/2014	1892	Syncora Guarantee Inc. and Syncora Capital Assurance Inc. Disclosure of Witnesses and Documents in Advance of the December 17-19, 2013 Hearings
14	12/9/2014	1980	Syncora Guarantee Inc. and Syncora Capital Assurance Inc.'s Disclosure of Exhibits in Advance of the Hearing on December 17-19, 2013
15	12/11/2013	2035	The Objectors' Supplemental Motion to Admit Certain Deposition Testimony of Charles Moore and James Doak

<u>Item #</u>	<u>Date</u>	<u>Docket Number</u>	<u>Document Title</u>
16	12/11/2013	2036	Ex Parte Motion for an Order Shortening Notice and Scheduling an Expedited Hearing on the Objectors' Supplemental Motion to Admit Certain Deposition Testimony of Charles Moore and James Doak
17	12/11/2013	2048	Order Denying (1) Syncora's Motion to Admit Certain Deposition Testimony [Dkt. #954]; (2) Syncora's Supplemental Motion to Admit Certain Deposition Testimony [Dkt. #2035]; and (3) Syncora's Motion for an Expedited Hearing Regarding Pleading #2035 [Dkt. #2036]
18	12/11/2013	2058	Motion of Syncora Guarantee Inc. and Syncora Capital Assurance Inc. to Adjourn Hearing on the Debtor's Assumption Motion [Dkts. 17 and 157] and Motion to Approve Post-Petition Financing [Dkt. 1520]
19	12/12/2013	2082	Debtor's Amended List of Exhibits for Hearing on the City of Detroit's Assumption Motion [Dkts. 17 and 157] and Motion to Approve Post-Petition Financing [Dkt. 1520]
20	12/13/2013	2120	Syncora Guarantee Inc. and Syncora Capital Assurance Inc.'s Amended Disclosure of Exhibits in Advance of the Hearing on December 17-19, 2013
21	12/15/2013	2127	Transcript Order Form of Hearing Held December 13, 2013
22	12/16/2013	2147	Syncora Guarantee Inc. and Syncora Capital Assurance Inc.'s Second Amended Disclosure of Exhibits in Advance of the Hearing on December 17-19, 2013

<u>Item #</u>	<u>Date</u>	<u>Docket Number</u>	<u>Document Title</u>
23	12/16/2013	2186	Amended Statement of Stipulated Facts Regarding Motion of Debtor for Entry of an Order (I) Authorizing the Assumption of That Certain Forbearance and Optional Termination Agreement Pursuant to Section 365(a) of the Bankruptcy Code, (II) Approving Such Agreement Pursuant to Rule 9019, and (III) Granting Related Relief
24	12/18/2013	2207	Transcript Order Form of Hearing Held December 17, 2013
25	12/18/2013	2221	Transcript Order Form of Hearing Held December 18, 2013
26	12/27/2013	2333	Expedited Transcript Order Form of Hearing Held December 20, 2013
27	12/27/2013	2341	Supplement to Motion of Debtor for Entry of an Order (I) Authorizing the Assumption of That Certain Forbearance and Optional Termination Agreement Pursuant to Section 365(a) of the Bankruptcy Code, (II) Approving Such Agreement Pursuant Rule 9019, and (III) Granting Related Relief
28	12/31/2013	2353	Third Notice of Revised Proposed Order in Connection With a Final Order Pursuant to 11 U.S.C. §§ 105, 362, 364(C)(1), 364(C)(2), 364(e), 364(f), 503, 507(a)(2), 904, 921, and 922 (I) Approving Post-Petition Financing, (II) Granting Liens and Providing Superpriority Claim Status and (III) Modifying Automatic Stay
29	1/7/2014	2421	Transcript Order Form of Hearing Held January 3, 2014

<u>Item #</u>	<u>Date</u>	<u>Docket Number</u>	<u>Document Title</u>
30	1/14/2014	2468	Transcript Order Form of Hearing Held January 13, 2014
31	1/16/2014	2493	Transcript Order Form of Hearing Held January 16, 2014
32	1/17/2014	2511	Order Denying Debtor's Assumption Motion
33	3/4/2014	2806	Corrected Motion of the Debtor for Entry of an Order, Pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, Approving a Settlement and Plan Support Agreement and Granting Related Relief
34	3/17/2014	3051	Objection of Syncora Guarantee Inc. and Syncora Capital Assurance Inc. to Corrected Motion of Debtor for Entry of an Order, Pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, Approving a Settlement and Plan Support Agreement and Granting Related Relief
35	3/21/2014	3145	Omnibus Reply of the City of Detroit to Objections to the Motion of Debtor for Entry of an Order, Pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, Approving a Settlement and Plan Support Agreement and Granting Related Relief
36	3/26/2014	3234	Supplement to Motion of Debtor for Entry of an Order, Pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, Approving a Settlement and Plan Support Agreement Granting Related Relief
37	3/27/2014	3257	Second Supplement, to Correct Technical Errors, to Motion of Debtor for Entry of an Order, Pursuant to Section 105(a) of the

<u>Item #</u>	<u>Date</u>	<u>Docket Number</u>	<u>Document Title</u>
			Bankruptcy Code and Bankruptcy Rule 9019, Approving a Settlement and Plan Support Agreement and Granting Related Relief
38	3/28/2014	3287	Motion of Objectors for Adjournment of the Hearing Regarding the Debtor's Motion for Entry of an Order, Pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, Approving a Settlement and Plan Support Agreement and Granting Related Relief
39	4/4/2014	3781	Transcript Order Form for Hearing Held April 3, 2014
40	4/11/2014	3969	Transcript Order Form for Hearing Held April 11, 2014

(b) Hearing Transcripts from *In re City of Detroit, Mich.*, Case No. 13-53846

<u>Item #</u>	<u>Date</u>	<u>Docket Number</u>	<u>Document Title</u>
41	8/9/2013	316	Transcript Regarding Hearing Held August 2, 2013
42	12/15/2013	2132	Transcript Regarding Hearing Held December 13, 2013
43	12/20/2013	2280	Transcript Regarding Hearing Held December 18, 2013
44	12/23/2013	2299	Transcript Regarding Hearing Held December 17, 2013
45	12/26/2013	2311	Transcript Regarding Hearing Held December 20, 2013

<u>Item #</u>	<u>Date</u>	<u>Docket Number</u>	<u>Document Title</u>
46	1/10/2014	2447	Transcript Regarding Hearing Held January 3, 2014
47	1/17/2014	2512	Transcript Regarding Hearing Held January 13, 2014
48	1/18/2014	2521	Transcript Regarding Hearing Held January 16, 2014 re: Bench Opinion
49	4/9/2014	3930	Transcript Regarding Hearing Held April 3, 2014
50	4/14/2014	4069	Transcript Regarding Hearing Held April 11, 2014

2. STATEMENT OF ISSUES ON APPEAL

- (a) Whether the bankruptcy court exceeded its statutory and constitutional jurisdiction and authority or otherwise erred in approving the release of liens provided for under the Settlement Agreement.
- (b) Whether the bankruptcy court exceeded its statutory and constitutional jurisdiction and authority or otherwise erred in approving a settlement that impaired third party rights.
- (c) Whether the bankruptcy court exceeded its statutory and constitutional jurisdiction and authority or otherwise erred in entering an overbroad bar order and injunction against the Service Corporations.
- (d) Whether the Bankruptcy Court erroneously determined the following:
 - (i) that Syncora's rights were preserved by the Settlement Agreement;

- (ii) that the Settlement Agreement was not a modification of the Collateral Agreement and/or the Amended Swap;
- (iii) that the Swap Counterparties had authority to settle claims relating to the Collateral Agreement liens; and
- (iv) that Syncora was not a third-party beneficiary under the Collateral Agreement.

[The remainder of this page is intentionally left blank.]

Dated: May 5, 2014

/s/ Ryan Blaine Bennett

James H.M. Sprayregen, P.C.

Ryan Blaine Bennett

Stephen C. Hackney

KIRKLAND & ELLIS LLP

300 North LaSalle

Chicago, Illinois 60654

Telephone: (312) 862-2000

Facsimile: (312) 862-2200

and

Stephen M. Gross

David A. Agay

Joshua Gadharf

MCDONALD HOPKINS PLC

39533 Woodward Avenue

Bloomfield Hills, MI 48304

Telephone: (248) 646-5070

Facsimile: (248) 646-5075

*Attorneys for Syncora Guarantee Inc.
and Syncora Capital Assurance Inc.*